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10-14-2009

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White-collar crime intricacies: Do the right thing

Fraudulent business schemes committed by employees, managers or executives of a company are not rare. What is rare is the non-action of others who become aware of those illegal business activities.



Don Berez

Individuals of questionable integrity will seek opportunities for personal gain. Most witnesses come forward with their knowledge

or suspicions.

This article was written to sensitize business professionals to the intricacies of "doing the right thing" when white collar crimes are discovered.

The informant provides law enforcement with information of the illegal activities of others. The informant's identity is never supposed to be known by anyone except the investigators or the "handlers." The informant is not expected to testify.

The investigators use the informant's information to identify the unknown subjects



When one delays reporting of fraudulent activity, unforeseen circumstances may occur, including the perception of aiding and abetting or actual criminal involvement.

of a case and then acquire other evidence that does not include the informant's testimony. Informants are coveted by law enforcement as the bread and butter of an investigator's arsenal to "make the case" and convict criminals.

This is the usual scenario with "conventional" crimes.

In white collar crime matters, however, and because of the nature of fraud, the informant usually becomes more of a cooperating witness against other business-associated fraudsters. The cooperating witness usually comes forward after feeling the pressure of personal exposure in a covert business fraud.

The usual government agreement with the witness

requires complete, accurate and truthful information regarding the crimes. To gather evidence, the witness may conduct illegal activities with the express permission and direction of the investigators.

The cooperating witness agrees to testify against others and testify to the jury that the government hasn't promised them anything — payment or perceived payment — for testimony.

The cooperating witness may get "jammed up" and also prosecuted in the investigation for the following reasons:

- The witness did not explain the full extent of his involvement in the illegal activities while looking for damage control by assisting law enforcement in an attempt

to gain forgiveness with cooperation.

- The witness "inescapably" becomes part of the illegal activities without permission from law enforcement while cooperating over time to identify evidence against the others.

- The witness purposely decides to find opportunities for personal gain and to reap "deserved" benefits for hard but "unappreciated" work benefiting law enforcement.

The common denominator in these examples is greed, and the cooperating witness becomes one of the "real" fraudsters.

Everyone has been taught and knows to report illegal activities and to provide that information as early as possible

when it becomes known.

When one delays reporting of fraudulent activity, unforeseen circumstances may occur, including the perception of aiding and abetting or actual criminal involvement.

Law enforcement may be able to help an individual facing personal exposure to fraud, but only if the cooperating witness identifies the subjects and evidence and agrees to testify.

Do the right thing.

Don Berez is the director of the Center for Forensic Studies in Accounting and Business at GSU. A retired FBI agent and practicing polygraph examiner, he can be reached at berez@georgiasouthern.edu. For more information, go to <http://coba.georgiasouthern.edu/forensic/>.

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